

STATE OF SOUTH CAROLINA

(Caption of Case)

In Re: Petition of South Carolina Electric & Gas
Company for Updates and Revisions to
Schedules Related to the Construction of a
Nuclear Base Load Generation Facility at
Jenkinsville, South Carolina

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2012 - 203 - E

236735 E
236753 - Conf.
RECEIVED
PUBLIC SERVICE
COMMISSION
SOUTH CAROLINA

(Please type or print)

Submitted by: Belton T. Zeigler

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NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

- ☐ Emergency Relief demanded in petition ☐ Request for item to be placed on Commission's Agenda expeditiously
- ☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input checked="" type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input checked="" type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input type="checkbox"/> Proposed Order	<input type="checkbox"/> Other: Proposed Notice
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	of Hearing
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	



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May 15, 2012

VIA HAND DELIVERY

The Honorable Jocelyn Boyd
Chief Clerk and Administrator
Public Service Commission of South Carolina
101 Executive Center Drive (29210)
Post Office Drawer 11649
Columbia, South Carolina 29211

RE: Petition of South Carolina Electric & Gas Company for Updates and Revisions to Schedules Related to the Construction of a Nuclear Base Load Generation Facility at Jenkinsville, South Carolina
Docket No. 2012-203-E

Dear Ms. Boyd:

Pursuant to S.C. Code Ann. § 58-33-270(E) (Supp. 2011) South Carolina Electric & Gas Company ("SCE&G" or "Company") petitions the Public Service Commission of South Carolina (the "Commission") for an order approving an updated construction schedule and an updated capital cost schedule for the construction of two 1,117 net megawatt nuclear units (the "Units") to be located at the V. C. Summer Nuclear Station site near Jenkinsville, South Carolina. SCE&G is also petitioning the Commission to enter a confidentiality order protecting certain commercially sensitive information from disclosure, as set forth below.

This petition is filed in substitution for the petition in Docket 2012-90-E, which SCE&G withdrew by letter dated May 8, 2012.

For the convenience of the Commission and parties, SCE&G is also providing with this filing a draft notice of hearing for publication in newspapers of general circulation in its service territory and for communication to its electric customers. SCE&G would propose to provide this notice directly to electric customers through inserts into their regular electric bills. Because of cycle billing and other considerations, doing so will require a return date for such notice not earlier than July 15, 2012.

Also for the convenience of the Commission, SCE&G is providing for consideration an proposed schedule for the pre-filing of testimony and proposed orders in this proceeding. This schedule takes into account the statutory deadline for an order in this matter and the customary sequencing of due dates in such proceedings.

As part of its petition, SCE&G is filing as an exhibit a redacted and unredacted copy of its restated and updated construction expenditures. Therefore, SCE&G is filing both a Public Version and a Confidential Version of its Request. In both versions, the Company's restated and updated construction expenditures are designated as Exhibit 2. The Confidential Version of Exhibit 2 of the filing contains confidential information related to the pricing and pricing terms of the Engineering, Procurement and Construction Agreement ("EPC Contract") between SCE&G and a consortium consisting of Westinghouse Electric Company, LLC and the Shaw Group (collectively, "Contractor.") The EPC Contract contains confidentiality provisions that require SCE&G to protect proprietary information that the Contractor believes to constitute trade secrets and to be commercially sensitive. The Contractor has requested that SCE&G maintain the confidentiality of certain information contained in Exhibit 2. It is this confidential information that has been redacted from the Public Version of the exhibits.

In keeping with the Contractor's request and the terms of the EPC Contract, SCE&G respectfully requests that the Commission find that the Confidential Version of the petition contains protected information and issue a protective order barring the disclosure of Exhibit 2 of the petition under the Freedom of Information Act, S.C. Code Ann. §§ 30-4-10 *et seq.*, S.C. Code Ann. Regs. 103-804(S)(1), or any other provision of law, except in its public form. Pursuant to 26 S.C. Code Regs. 103-804(S)(2), the determination of whether a document may be exempt from disclosure is within the Commission's discretion. Such a ruling in this instance would be consistent with the Commission's prior rulings in Docket No. 2008-196-E and Docket No. 2009-211-E finding, among other things, the pricing and pricing terms of the EPC Contract to be confidential and issuing a protective order barring the disclosure of related information. *See* Commission Order Nos. 2008-467 and 2008-696, as amended by Order No. 2008-739, issued in Docket No. 2008-196-E; and Commission Order No. 2009-401 issued in Docket No. 2009-211-E.

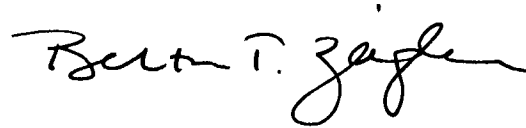
To this end, and in accordance with Commission Order No. 2005-226, dated May 6, 2005, in Docket No. 2005-83-A, enclosed with this letter and attached to the petition is as follows:

1. A true and correct copy of the Confidential Version of the Request in a sealed envelope marked "CONFIDENTIAL." Each confidential page of the Confidential Version of the Request is also marked "CONFIDENTIAL."

2. One original and ten copies of a redacted Public Version of the Request for filing and public disclosure.

SCE&G respectfully requests, in the event that anyone should seek disclosure of the unredacted Confidential Version of the above-referenced documents, that the Commission notify SCE&G of such request and provide it and the Contractor with an opportunity to obtain an order from this Commission or a court of competent jurisdiction protecting the Confidential Version of these documents from disclosure.

Very truly yours,



Belton T. Zeigler

Enclosures

cc: C. Dukes Scott (ORS)
John W. Flitter (ORS)
Jeffrey M. Nelson, Esquire (ORS)
Shannon B. Hudson, Esquire (ORS)
Courtney D. Edwards, Esquire (ORS)
(all via hand delivery and email)

PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

CLERK'S OFFICE

PROPOSED NOTICE OF FILING AND HEARING

DOCKET NO. 2012-203-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY – PETITION OF SOUTH CAROLINA ELECTRIC & GAS COMPANY FOR UPDATES AND REVISIONS TO SCHEDULES RELATED TO THE CONSTRUCTION OF A NUCLEAR BASE LOAD GENERATION FACILITY AT JENKINSVILLE, SOUTH CAROLINA

In Order No. 2009-104(A), dated March 2, 2009, the Public Service Commission of South Carolina (“Commission”) authorized South Carolina Electric & Gas Company (“SCE&G” or “Company”) to construct and operate two 1,117 net megawatt nuclear facilities (“Units”) to be located at the Virgil C. Summer Nuclear Station site near Jenkinsville, South Carolina. In accordance with the Base Load Review Act, S.C. Code Ann. § 58-33-210 *et seq.*, in Order No. 2009-104(A), the Commission approved an estimated capital cost for the Units of \$4.5 billion in 2007 dollars. In Order No. 2010-12, in Docket No. 2009-293-E, the Commission approved SCE&G’s request to, among other things, approve an updated schedule of capital costs for the project. The updated capital cost schedule did not alter the total estimated capital cost for the Units of \$4.5 billion in 2007 dollars but changed the forecasted timing of cash flow.

In Order No. 2011-345, the Commission approved an updated capital cost schedule for the units which also removed all projected contingency costs as required by the decision of the South Carolina Supreme Court in South Carolina Energy Users Comm. v. South Carolina Pub. Serv. Comm’n, 388 S.C. 486, 697 S.E.2d 587 (2010).

On May 15, 2012, SCE&G filed a petition with the Commission, pursuant to S.C. Code Ann. § 58-33-270(E), seeking an order approving an updated construction schedule and capital cost schedule for the Units. The updated construction schedule revises the construction plan for the Units based on the issuance of the combined operating license for the Units by the Nuclear Regulatory Commission in early 2012, not mid-2011 as originally anticipated and substantial completion dates of the Units of March 15, 2017 and May 15, 2018. It also incorporates approximately \$283.0 million in capital costs that have been incurred or have been identified since the issuance of Order No. 2011-345. This petition replaced a petition filed on February 29, 2012 which SCE&G withdrew by letter dated May 8, 2012.

The capital cost estimate for which the Company seeks Commission approval in this proceeding is currently \$4.6 billion in 2007 dollars. In its filing, the Company states that it may seek to update its capital cost estimates during the pendency of these proceedings if additional cost items are identified or if cash flow schedules are updated.

S.C. Code Ann. § 58-33-270(E) authorizes SCE&G to petition the Commission for modification of any of the schedules related to the construction of a base load generation facility. This statute provides that such requests shall be granted if, after a hearing, the Commission finds that the changes are not the result of imprudence on the part of the SCE&G. The Company states that the changes to the schedules are the result of normal and prudent revisions, changes and refinements in the construction program for the project.

A copy of the Company's filing may be obtained from the Commission at the address below. Additionally, the filing is available on the Commission's website at www.psc.sc.gov and is available from the corporate office of South Carolina Electric & Gas Company at 220 Operation Way, Mail Code C222, Cayce, South Carolina, 29033.

In order for testimony and evidence to be received from all interested parties, a public hearing will be held in the Commission's Hearing Room, Synergy Business Park, 101 Executive Center Drive, Columbia, South Carolina 29211 on **Monday, October 15, 2012, at 10:30 am.**

Any person who wishes to participate in this matter, as a party of record with the right of cross-examination should file a Petition to Intervene in accordance with the Commission's Rules of Practice and Procedure on or before **August 15, 2012**, and indicate the amount of time required for his presentation. Please include an email address for receipt of future Commission correspondence in the Petition to Intervene. ***Please refer to Docket No. 2012-90-E.***

Any person who wishes to testify and present evidence at the hearing should notify the Clerk's Office, in writing, at the address below; the South Carolina Office of Regulatory Staff, 1401 Main Street, Suite 900, Columbia, South Carolina 29201; and K. Chad Burgess, Associate General Counsel, South Carolina Electric & Gas Company, 220 Operation Way, Mail Code C222, Cayce, South Carolina 29033, on or before **August 15, 2012**, and indicate the amount of time required for their presentation. ***Please refer to Docket No. 2012-90-E.***

Any person who wishes to be notified of the hearing, but does not wish to present testimony or be a party of record, may do so by notifying the Clerk's Office, in writing, at the address below on or before **August 15, 2012**. ***Please refer to Docket No. 2012-90-E.***

PLEASE TAKE NOTICE: Any person who wishes to have his or her comments considered as part of the official record of the proceeding **MUST** present such comments, in person, to the Commission during the hearing.

Persons seeking information about the Commission's Rules of Practice and Procedure should contact the Commission in Columbia at 803-896-5100.

Public Service Commission of South Carolina
Attn: Clerks Office
Post Office Drawer 11649
Columbia, SC 29211

Proposed Clerks Office Scheduling Memorandum

Docket 2012-203-E

May 15, 2012

IN RE: Docket No. 2012-203-E – Petition of South Carolina Electric & Gas Company for Updates and Revisions to Schedules Related to the Construction of a Nuclear Base Load Generation Facility at Jenkinsville, South Carolina.

TO: ALL PARTIES OF RECORD

Pursuant to 26 S.C. Code Ann. Regs. 103-845(C)(Supp.2009):

1. The **Applicant** must prefile with the Commission 1 copy of the direct testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **August 14, 2012** (must be post-marked on or before this date).
2. **All Other Parties of Record** must prefile with the Commission 1 copy of the direct testimony and exhibits of the witnesses they intend to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **September 11, 2012** (must be post-marked on or before this date).
3. The **Applicant** filing **Rebuttal Testimony** must prefile with the Commission 1 copy of the testimony and exhibits of the witnesses it intends to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **September 25, 2012** (Rebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on this date).
4. **All Other Parties of Record** filing **Surrebuttal Testimony** must prefile with the Commission 1 copy of the testimony and exhibits of the witnesses they intend to present and serve the testimony and exhibits of the witnesses on all Parties of Record on or before **October 8, 2012** (Surrebuttal testimony and exhibits must be in the offices of the Commission and in the hands of the parties on this date).

Please be advised that failure to comply with the instructions contained herein could result in your proposed witnesses' testimony and exhibits being excluded in the subject proceeding. Additionally, please note that failure to comply with the above on or before the dates indicated may result in the DISMISSAL of your pleading.

**** PROPOSED ORDERS ARE DUE ON OR BEFORE NOVEMBER 1, 2012 ****

Yours Truly,

Clerk's Office

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NO. 2012-203-E

In Re: Petition of South Carolina)	<u>PETITION FOR UPDATES AND</u>
Electric & Gas Company for Updates)	<u>REVISIONS TO THE CAPITAL</u>
and Revisions to Schedules Related to)	<u>COST SCHEDULE AND THE</u>
the Construction of a Nuclear Base Load)	<u>CONSTRUCTION SCHEDULE</u>
Generation Facility at Jenkinsville,)	
South Carolina)	

South Carolina Electric & Gas Company (“SCE&G” or the “Company”) hereby petitions the Public Service Commission of South Carolina (the “Commission”) for an order approving an updated capital cost schedule and updated construction schedule for the construction of two 1,117 net megawatt nuclear units (the “Units”) to be located at the V. C. Summer Nuclear Station site near Jenkinsville, South Carolina. This petition (the “Petition”) is filed pursuant to the provisions of the Base Load Review Act (“BLRA”), S.C. Code Ann. § 58-33-270(E) (Supp. 2011). In accordance with the provisions of the BLRA, SCE&G would respectfully show to the Commission the following:

I. INTRODUCTION

1. SCE&G is a corporation duly organized and existing under the laws of the State of South Carolina, with its principal offices at 220 Operation Way, Cayce, South Carolina 29033.

2. SCE&G is engaged in the business of generating, transmitting, and delivering electricity and providing electric service to the public for compensation. SCE&G owns and operates an integrated electric utility system that serves over 660,000 customers in 24 counties in central and southern South Carolina.

3. Corporate legal counsel for SCE&G in this proceeding are as follows:

K. Chad Burgess
Matthew W. Gissendanner
South Carolina Electric & Gas Company
Mail Code C222
220 Operation Way
Cayce, SC 29033
(803) 217-8141
chad.burgess@scana.com
matthew.gissendanner@scana.com

Private legal counsel for SCE&G in this proceeding are as follows:

Belton T. Zeigler
Gary Pope, Jr.
Pope Zeigler, LLC
P.O. Box 11509
Columbia, SC 29211
(803) 354-4949
bzeigler@popezeigler.com
gpopejr@popezeigler.com

All correspondence and any other matters relative to this proceeding should be addressed to these representatives.

II. PRIOR BLRA ORDERS

4. In Docket No. 2008-196-E, SCE&G sought approval of a Combined Application for a Certificate of Environmental Compatibility and Public Convenience and Necessity and for a Base Load Review Order for the Construction and Operation of a

Nuclear Facility in Jenkinsville, South Carolina for the Units. Pursuant to S.C. Code Ann. § 58-33-250(2), SCE&G provided the anticipated construction schedule and anticipated capital cost schedule for the Units.

5. Those schedules indicated that the Units could be constructed for a total cost to SCE&G of approximately \$4.5 billion in 2007 dollars.¹

6. Following a full hearing on the Combined Application, the Commission issued Order No. 2009-104(A), which approved the proposed construction schedule and capital cost schedule for the Units.

7. In Order No. 2010-12, dated January 22, 2010, the Commission approved SCE&G's request to update the construction schedule for the project and to update the capital cost schedule for the project to reflect changes in the forecasted timing of cash flow resulting from the updated construction schedule. The updated capital cost schedule did not alter the total estimated capital cost for the Units of approximately \$4.5 billion in 2007 dollars.

8. In Order No. 2011-345, the Commission approved the Company's request to update capital cost projections for the project. That request was filed in response to the decision by the Supreme Court of South Carolina in South Carolina Energy Users Comm. v. South Carolina Pub. Serv. Comm'n, 388 S.C. 486, 697 S.E.2d 587 (2010), which disallowed costs that had not been itemized to specific capital cost items. In response, SCE&G removed its owner's contingency pool from the capital cost forecasts and sought Commission approval of specific costs that would otherwise have been accounted for

¹ Unless otherwise noted, all amounts reflect SCE&G's portion of the cost of the Units in 2007 dollars.

using the contingency allowance. Order No. 2011-345 established a total estimated capital cost for the Units of approximately \$4.3 billion in 2007 dollars.

III. CURRENT UPDATE REQUEST

9. Since the issuance of Order No. 2011-345, SCE&G has continued to revise and update the construction schedules and capital cost schedules for the Units as new information has emerged.

10. On February 29, 2012, SCE&G filed a Petition for Updates and Revisions to the Capital Cost Schedule and the Construction Schedule in Docket 2012-90-E based on information available at that time.

11. Since the time of that filing, major milestones in the progress of the project have been achieved.

12. On March 29, 2012, SCE&G and Westinghouse Electric Company and The Shaw Group, Inc. (together “WEC/Shaw”) signed a preliminary agreement (the “Preliminary Agreement”) providing for new substantial completion dates for the Units tied to the issuance date of the Combined Construction and Operating Licenses (“COL”) which was anticipated in March of 2012. That Preliminary Agreement also resolved claims made by WEC/Shaw under the EPC Contract for additional charges related to the delay in the COL issuance, design changes made to the Units during licensing, unanticipated rock conditions at the site of the Unit 2 Nuclear Island and other matters.

13. On March 30, 2012, the United States Nuclear Regulatory Commission (the “NRC”) issued the COL for the Units.

14. On that same day, the United States Army Corps of Engineers issued the Section 404 wetlands permit for the Units.

15. On April 19, 2012, SCE&G issued a Full Notice to Proceed to WEC/Shaw for construction of the Units.

16. These developments, all of which occurred since Docket 2012-90-E was established, have resulted in substantial revisions to the construction schedules and capital cost schedules filed in that docket.

17. To allow the South Carolina Office of Regulatory Staff (“ORS”) and other parties a full opportunity to review these revisions, SCE&G, by letter dated May 8, 2012, withdrew the petition in Docket 2012-90-E and has filed new updated schedules in this docket. Doing so allows the Commission to establish a new schedule for the filing of testimony and the conduct of hearings on these matters and resets the six-month deadline for the issuance of an order.

18. Accordingly, this Petition is filed in place of the petition filed on February 29, 2012, in Docket 2012-90-E.

A. Updated Construction Schedule

19. The March 30, 2012 COL issuance date was approximately eight (8) months later than the issuance date on which the construction schedule and capital cost schedule approved in Order Nos. 2009-104(A), 2010-12, and 2011-345 were based.

20. To accommodate the resulting delay in the start of nuclear-safety related construction activities on-site and related issues (the “COL Delay”), SCE&G has agreed with WEC/Shaw that the substantial completion date for Unit 2 should be delayed to

March 15, 2017. SCE&G and WEC/Shaw have also agreed that the substantial completion date for Unit 3 should be accelerated to May 15, 2018, to provide for the closer synchronization of the construction schedules for the two Units. Such synchronization will create construction efficiencies that will partially offset the costs of the COL Delay.

21. **Exhibit 1** attached to this filing provides an updated construction milestone schedule for the project reflecting the aligning of all milestones to the current substantial completion dates and to the current construction and fabrication schedules.

B. Updated Cost Forecasts

i. Updated EPC Contract Costs

22. During the COL review process, the nuclear systems supplier for the Units, WEC, made certain design changes in the AP1000 Unit.

(a) One change related to a redesign of the shield building for the Units. This change (the “Shield Building Redesign”) was undertaken to increase the shield building’s resistance to aircraft impact.

(b) Another change related to an increase in the strength of the steel plates used in constructing certain structural modules that will be built off-site and installed in the Units using modular construction. This change (the “Module Redesign”) was undertaken to strengthen the modules.

23. In addition, excavation and mapping of the rock conditions in the basement area for the Unit 2 Nuclear Island has discovered that in certain areas the bedrock is located deeper than test borings had indicated. This condition (“Unit 2 Rock

Conditions”) requires removal of additional material from the excavated area and the placement of additional concrete and other engineered materials in the resulting spaces. While it is not unusual to discover such conditions in a project of this kind, such conditions increase construction costs.

24. Furthermore, WEC/Shaw has determined that the COL Delay, as mitigated in part by the change in the substantial completion dates of the Units, will increase the cost of the project.

25. In 2011, WEC/Shaw asserted a claim that the costs associated with the Shield Building Redesign, the Module Redesign, the COL Delay and the Unit 2 Rock Conditions are costs that it is entitled to recover as additional charges under the Engineering, Procurement and Construction Agreement (“EPC Contract”) for the project. After extensive negotiation, SCE&G and WEC/Shaw have agreed to compromise and settle these claims for a \$137.5 million adjustment to the cost of the project under the EPC Contract.

26. In addition, in the Preliminary Agreement the parties agreed to reduce SCE&G’s exposure to future changes in escalation rates by fixing the escalation on the “Fixed with Indexed Adjustment Category” under the EPC Contract at a set escalation rate going forward for the life of the project. Costs in this cost category were previously escalated based on the Handy-Whitman Indices. The Handy Whitman Indices will continue to be used to forecast non-firm (Target) cost categories, *i.e.*, Actual Craft Wages, Non-Labor Costs and Time & Materials.

ii. Other Change Orders

27. **Cyber Security** – In late 2011, an agreement was reached between SCE&G and WEC/Shaw on a phased approach for ascertaining the costs that will be associated with strengthening the Units’ defenses against cyber attacks (“Cyber Security”). The Phase I scope of the Cyber Security plan will involve review of the specific equipment and software that will be used in the Units to identify potential vulnerabilities to cyber attack and to devise a scope of work to protect against those vulnerabilities. Phase I of the Cyber Security work will be undertaken for a price of \$914,422 which is principally a firm price with certain non-firm time and materials components. Phase II will involve the actual software programming and other work necessary to overcome the vulnerabilities identified in Phase I. The cost of Phase II is estimated to be approximately \$4.95 million. Other phases of work may be required but are not known at this time.

28. **Waste Water Piping** – On December 9, 2011, WEC/Shaw presented SCE&G with an estimate for a detailed scope of work and associated costs for a revision to the design of the waste water discharge piping for gravity drainage to the Waste Water System Discharge Piping, as specified in SCE&G’s COL application. WEC/Shaw has determined that the cost of this work will be \$8,250.

29. **Health Care Costs** – During the last quarter of 2011, WEC/Shaw initiated Change Order No. 12 requesting reimbursement for Shaw’s increased costs as a result of a change in law related to portions of the Health Care and Education Reconciliation Act of 2010 (“Health Care Act”). SCE&G approved the change order in December 2011.

The total costs associated with this action are \$135,573 and are spread throughout the remaining period of the project. At this time, WEC has not quantified any additional costs related to the Health Care Act. Additional change orders may be generated by WEC or by Shaw to cover future cost impacts associated with the Health Care Act.

iii. Owners Costs

30. During 2011 and 2012, SCE&G's leadership conducted an intensive review of the staffing required to effectively operate the Units. This work has resulted in revised staffing plans and revised Owners costs estimates to replace the prior estimates of Owners costs.

31. As a result of this review, SCE&G has updated the project hiring plan for New Nuclear Deployment ("NND") Construction Oversight and Operational Readiness staffs to reflect the additional skills, training and experience that will be required to staff the Units in a way that will ensure that they can be operated safely and efficiently when construction is complete.

32. SCE&G has also increased construction oversight staffing to provide for additional quality assurance and quality control ("QA/QC") resources to oversee the QA/QC programs of its contractors and suppliers. Such oversight is the regulatory responsibility of SCE&G as owner of the Units. Oversight of QA/QC for the project has been identified as a key goal for NND during the construction process.

33. In addition, operational staffing of the Units and other costs have increased due to rulemakings that have been issued or are anticipated by the NRC as a result of the safety reviews undertaken in light of the recent Fukushima earthquake and tsunami.

34. NND staffing plans and other Owners Cost estimates have also been revised to reflect the impacts of the COL Delay and the changes in the substantial completion dates of the Units.

35. The Owners Cost estimates further include the current estimates of the cost of training facilities and other facilities, information technology (“IT”) systems and the other infrastructure and equipment that will support the Units and their personnel.

36. This updating has resulted in an increase in the forecast for Owners Costs for the Units of approximately \$131.6 million.

iv. Transmission Costs

37. In light of the foregoing, SCE&G has also re-forecasted transmission costs associated with the Units based on additional design and engineering work, updated evaluations of power flows, and more complete information about right-of-way and property requirements. In this regard:

(a) SCE&G has determined that it is preferable to construct a new Saluda River 230/115 kilovolt (“kV”) Substation as opposed to installing additional autobanks at the Lake Murray 230/115 kV Substation and the Denny Terrace 230/115 kV Substation. Accommodating power flows from the Units under this new configuration will require upgrading the 115 kV line between the Saluda River substation and the Lyles substation and other improvements.

(b) SCE&G has decided to move from overhead to underground a section of the existing Parr-VCSN Safeguard 115 kV line where that line will be crossed by multiple new lines being built to support the Units. Undergrounding

this segment of the line will enhance the safety and reliability of power supplies to the Units and will represent a new cost to the project.

(c) Transmission line conductor upgrades to accommodate power from the new units will require terminal and bus upgrades at the Canadys, Summerville and Saluda Hydro Substations.

(d) As a result of detail design and routing for the 230 kV transmission lines terminating into the new switchyard, the Parr-Midway 115 kV Line has been lowered to meet required minimum National Electric Safety Code crossing clearances.

The cost increases associated with these and other changes have been netted against other budgetary items where costs to the project have been reduced. As a result of these and other changes and upgrades, transmission cost forecasts have increased by approximately \$7.9 million.

C. Revised Capital Cost Schedules

38. **Exhibit 2** attached to this filing provides the Commission with an updated capital cost schedule for the Units.

39. As set forth in **Exhibit 2**, the updated capital cost schedule in 2007 dollars is approximately \$4.6 billion, which reflects an increase of approximately \$283.0 million in the costs approved in Order No. 2011-345.

40. For ease of reference, **Exhibit 3** provides information showing the variation between the capital cost schedule approved by the Commission in Order No. 2011-345 and the capital cost schedule contained in **Exhibit 2**.

41. The updated capital cost schedule set forth in **Exhibit 2** also reflects the most current inflation indices applied as mandated by the Commission in Order No. 2009-104(A) and the change in escalation index for the Firm with Indexed Adjustment category under the EPC Contract. The updated capital cost schedule in future dollars, including Allowance for Funds Used During Construction, is approximately \$5.8 billion which is approximately \$25 million less than the similar forecast of costs and escalation reflected in Order No. 2011-345.

42. **Exhibit 4** provides a reconciliation of the changes in forecasted costs shown on **Exhibit 2** to those approved in Order No. 2011-345. Also shown is a comparison of the escalation indices in effect under Order No. 2011-345 to those currently in effect.

D. Conclusion as to Updated Construction and Capital Cost Schedules

43. Pursuant to S.C. Code Ann. § 58-33-270(E), when a utility petitions for adjustments in the construction schedule or capital cost schedule for a project being constructed under the BLRA, the Commission “shall grant the relief requested if, after a hearing, the commission finds: (1) as to the changes in the schedules, estimates, findings, or conditions, that the evidence of record justifies a finding that the changes are not the result of imprudence on the part of the utility”

44. The construction schedule and capital costs reflected in **Exhibit 1** and **Exhibit 2** are the result of normal and prudent revisions, changes and refinements in the construction program for the project.

45. The capital cost schedule contained in **Exhibit 2** contains no contingencies or other provisions for the additional capital costs that may be identified to specific items of cost in the future as construction of the Units proceeds. For that reason, SCE&G reserves the right to update this schedule during the pendency of this proceeding as cost forecasts are updated and supplemented.

46. SCE&G will continue to monitor and evaluate the construction schedule and schedule of capital costs. To the extent future revisions or updating of **Exhibit 1** or **Exhibit 2** or other revisions under S.C. Code Ann. § 58-33-270(E) are required, SCE&G will propose such changes for review by the Commission, either through updating **Exhibit 1** and **Exhibit 2** during this proceeding or through future filings and proceedings.

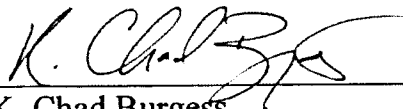
IV. PRAYER FOR RELIEF

WHEREFORE, South Carolina Electric & Gas Company respectfully requests that the Commission set the current matter for hearing and thereafter, pursuant to S.C. Code Ann. § 58-33-270(E),

- A. Approve the updated construction schedule attached as **Exhibit 1**, and the updated capital cost schedule attached as **Exhibit 2**, as they may be amended during the pendency of this proceeding, to be the operative schedules for construction of the Units under S.C. Code Ann. § 58-33-275(A).

B. Grant other relief as may be appropriate.

Respectfully submitted,



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Attorneys for South Carolina Electric & Gas Company

Cayce, South Carolina

Date: May 15, 2012

LIST OF EXHIBITS

EXHIBIT 1 – An updated milestone schedule for the Units.

EXHIBIT 2 – An updated capital cost schedule for the Units which if approved will replace Exhibit F of the original Combined Application for a Certificate of Environmental Compatibility and Public Convenience and Necessity and for a Base Load Review Order for the Construction and Operation of a Nuclear Facility in Jenkinsville, South Carolina, as approved in Order No. 2009-104(A) and as updated in Order Nos. 2010-12, and 2011-345.

EXHIBIT 3 – A schedule showing the variation between the capital cost schedule approved by the Commission in Order No. 2011-345 and the capital cost schedule contained in **Exhibit 2**.

EXHIBIT 4 – A schedule showing the reconciliation of the gross construction dollars shown in **Exhibit 2** to those approved by the Commission in Order No. 2011-345. Also shown is a comparison of the escalation indices in effect under Order No. 2011-345 to those currently in effect.

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Exhibit 1

Tracking ID	Milestone Description	Revised Completion Date	Unit
1	Approve Engineering Procurement and Construction Agreement	Complete	
2	Issue P.O.'s to nuclear component fabricators for Units 2 and 3 Containment Vessels	Complete	
3	Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - First Payment - Unit 2	Complete	
4	Contractor Issue PO to Accumulator Tank Fabricator - Unit 2	Complete	
5	Contractor Issue PO to Core Makeup Tank Fabricator - Units 2 & 3	Complete	
6	Contractor Issue PO to Squib Valve Fabricator - Units 2 & 3	Complete	
7	Contractor Issue PO to Steam Generator Fabricator - Units 2 & 3	Complete	
8	Contractor Issue Long Lead Material PO to Reactor Coolant Pump Fabricator - Units 2 & 3	Complete	
9	Contractor Issue PO to Pressurizer Fabricator - Units 2 & 3	Complete	
10	Contractor Issue PO to Reactor Coolant Loop Pipe Fabricator - First Payment - Units 2 & 3	Complete	
11	Reactor Vessel Internals - Issue Long Lead Material PO to Fabricator - Units 2 and 3	Complete	
12	Contractor Issue Long Lead Material PO to Reactor Vessel Fabricator - Units 2 & 3	Complete	
13	Contractor Issue PO to Integrated Head Package Fabricator - Units 2 & 3	Complete	
14	Control Rod Drive Mechanism Issue PO for Long Lead Material to Fabricator - Units 2 and 3 - first payment	Complete	

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
15	Issue P.O.'s to nuclear component fabricators for Nuclear Island structural CA20 Modules	Complete	
16	Start Site Specific and balance of plant detailed design	Complete	
17	Instrumentation & Control Simulator - Contractor Place Notice to Proceed - Units 2 & 3	Complete	
18	Steam Generator - Issue Final PO to Fabricator for Units 2 and 3	Complete	
19	Reactor Vessel Internals - Contractor Issue PO for Long Lead Material (Heavy Plate and Heavy Forgings) to Fabricator - Units 2 & 3	Complete	
20	Contractor Issue Final PO to Reactor Vessel Fabricator - Units 2 & 3	Complete	
21	Variable Frequency Drive Fabricator Issue Transformer PO - Units 2 & 3	Complete	
22	Start clearing, grubbing and grading	Complete	
23	Core Makeup Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	Complete	
24	Accumulator Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	Complete	
25	Pressurizer Fabricator Issue Long Lead Material PO - Units 2 & 3	Complete	
26	Reactor Coolant Loop Pipe - Contractor Issue PO to Fabricator - Second Payment - Units 2 & 3	Complete	
27	Integrated Head Package - Issue PO to Fabricator - Units 2 and 3 - second payment	Complete	
28	Control Rod Drive Mechanisms - Contractor Issue PO for Long Lead Material to Fabricator - Units 2 & 3	Complete	
29	Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - Second Payment - Units 2 & 3	Complete	

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
30	Start Parr Road intersection work.	Complete	
31	Reactor Coolant Pump - Issue Final PO to Fabricator - Units 2 and 3	Complete	
32	Integrated Heat Packages Fabricator Issue Long Lead Material PO - Units 2 & 3	Complete	
33	Design Finalization Payment 3	Complete	
34	Start site development	Complete	
35	Contractor Issue PO to Turbine Generator Fabricator - Units 2 & 3	Complete	
36	Contractor Issue PO to Main Transformers Fabricator - Units 2 & 3	Complete	
37	Core Makeup Tank Fabricator Notice to Contractor Receipt of Long Lead Material - Units 2 & 3	Complete	
38	Design Finalization Payment 4	Complete	
39	Turbine Generator Fabricator Issue PO for Condenser Material - Unit 2	Complete	
40	Reactor Coolant Pump Fabricator Issue Long Lead Material Lot 2 - Units 2 & 3	Complete	
41	Passive Residual Heat Removal Heat Exchanger Fabricator Receipt of Long Lead Material - Units 2 & 3	Complete	
42	Design Finalization Payment 5	Complete	
43	Start erection of construction buildings, to include craft facilities for personnel, tools, equipment; first aid facilities; field offices for site management and support personnel; temporary warehouses; and construction hiring office.	Complete	
44	Reactor Vessel Fabricator Notice to Contractor of Receipt of Flange Nozzle Shell Forging - Unit 2	Complete	

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
45	Design Finalization Payment 6	Complete	
46	Instrumentation and Control Simulator - Contractor Issue PO to Subcontractor for Radiation Monitor System - Units 2 & 3	Complete	
47	Reactor Vessel Internals - Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	Complete	
48	Turbine Generator Fabricator Issue PO for Moisture Separator Reheater/Feedwater Heater Material - Unit 2	Complete	
49	Reactor Coolant Loop Pipe Fabricator Acceptance of Raw Material - Unit 2	Complete	
50	Reactor Vessel Internals - Fabricator Start Weld Neutron Shield Spacer Pads to Assembly - Unit 2	7/31/2012	Unit 2
51	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 2	Complete	
52	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 2	Complete	
53	Start excavation and foundation work for the standard plant for Unit 2	Complete	
54	Steam Generator Fabricator Notice to Contractor of Receipt of 2nd Steam Generator Tubesheet Forging - Unit 2	Complete	
55	Reactor Vessel Fabricator Notice to Contractor of Outlet Nozzle Welding to Flange Nozzle Shell Completion - Unit 2	Complete	
56	Turbine Generator Fabricator Notice to Contractor Condenser Fabrication Started - Unit 2	Complete	

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
57	Complete preparations for receiving the first module on site for Unit 2.	Complete	
58	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Transition Cone Forging - Unit 2	Complete	
59	Reactor Coolant Pump Fabricator Notice to Contractor of Manufacturing of Casing Completion - Unit 2	Complete	
60	Reactor Coolant Loop Pipe Fabricator Notice to Contractor of Machining, Heat Treating & Non-Destructive Testing Completion - Unit 2	Complete	
61	Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 2	9/30/2012	Unit 2
62	Polar Crane Fabricator Issue PO for Main Hoist Drum and Wire Rope - Units 2 & 3	Complete	
63	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 3	Complete	
64	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 2	Complete	
65	Start placement of mud mat for Unit 2	6/29/2012	Unit 2
66	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Tubing - Unit 2	Complete	
67	Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	Complete	
68	Reactor Vessel Fabricator Notice to Contractor of Closure Head Cladding Completion - Unit 3	6/30/2012	Unit 3

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
69	Begin Unit 2 first nuclear concrete placement	8/24/2012	Unit 2
70	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 2	Complete	
71	Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	Complete	
72	Steam Generator Fabricator Notice to Contractor of Completion of 1st Steam Generator Tubing Installation - Unit 2	Complete	
73	Reactor Coolant Loop Pipe - Shipment of Equipment to Site - Unit 2	12/31/2012	Unit 2
74	Control Rod Drive Mechanism - Ship Remainder of Equipment (Latch Assembly & Rod Travel Housing) to Head Supplier - Unit 2	6/30/2012	Unit 2
75	Pressurizer Fabricator Notice to Contractor of Welding of Lower Shell to Bottom Head Completion - Unit 2	Complete	
76	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 2	5/31/2012	Unit 2
77	Design Finalization Payment 14	Complete	
78	Set module CA04 for Unit 2	11/6/2012	Unit 2
79	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Final Post Weld Heat Treatment - Unit 2	Complete	
80	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Completion of Tubing - Unit 2	5/31/2012	Unit 2

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
81	Polar Crane Fabricator Notice to Contractor of Girder Fabrication Completion - Unit 2	10/31/2012	Unit 2
82	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 3	8/31/2013	Unit 3
83	Set Containment Vessel ring #1 for Unit 2	1/7/2013	Unit 2
84	Reactor Coolant Pump Fabricator Delivery of Casings to Port of Export - Unit 2	7/31/2012	Unit 2
85	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 3	8/31/2013	Unit 3
86	Reactor Vessel Fabricator Notice to Contractor of Receipt of Core Shell Forging - Unit 3	Complete	
87	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 3	Complete	
88	Set Nuclear Island structural module CA03 for Unit 2	6/26/2013	Unit 2
89	Squib Valve Fabricator Notice to Contractor of Completion of Assembly and Test for Squib Valve Hardware - Unit 2	5/31/2012	Unit 2
90	Accumulator Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	3/31/2013	Unit 3
91	Polar Crane Fabricator Notice to Contractor of Electric Panel Assembly Completion - Unit 2	3/31/2013	Unit 2
92	Start containment large bore pipe supports for Unit 2	6/28/2013	Unit 2

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
93	Integrated Head Package - Shipment of Equipment to Site - Unit 2	3/31/2013	Unit 2
94	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 2	5/31/2013	Unit 2
95	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 3	6/30/2013	Unit 3
96	Steam Generator Fabricator Notice to Contractor of Satisfactory Completion of 1st Steam Generator Hydrotest - Unit 2	1/31/2013	Unit 2
97	Start concrete fill of Nuclear Island structural modules CA01 and CA02 for Unit 2	4/3/2014	Unit 2
98	Passive Residual Heat Removal Heat Exchanger - Delivery of Equipment to Port of Entry - Unit 2	12/31/2012	Unit 2
99	Refueling Machine Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 2	11/30/2013	Unit 2
100	Deliver Reactor Vessel Internals to Port of Export - Unit 2	1/31/2014	Unit 2
101	Set Unit 2 Containment Vessel #3	4/24/2014	Unit 2
102	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 2	7/31/2013	Unit 2
103	Turbine Generator Fabricator Notice to Contractor Turbine Generator Ready to Ship - Unit 2	4/30/2013	Unit 2
104	Pressurizer Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	3/31/2014	Unit 3

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
105	Polar Crane - Shipment of Equipment to Site - Unit 2	1/31/2014	Unit 2
106	Receive Unit 2 Reactor Vessel on site from fabricator	5/13/2014	Unit 2
107	Set Unit 2 Reactor Vessel	6/23/2014	Unit 2
108	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Channel Head to Tubesheet Assembly Welding - Unit 3	12/31/2013	Unit 3
109	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 3	8/31/2014	Unit 3
110	Reactor Coolant Pump - Shipment of Equipment to Site (2 Reactor Coolant Pumps) - Unit 2	10/31/2013	Unit 2
111	Place first nuclear concrete for Unit 3	10/9/2013	Unit 3
112	Set Unit 2 Steam Generator	10/23/2014	Unit 2
113	Main Transformers Ready to Ship - Unit 2	9/30/2013	Unit 2
114	Complete Unit 3 Steam Generator Hydrotest at fabricator	2/28/2014	Unit 3
115	Set Unit 2 Containment Vessel Bottom Head on basemat legs	10/11/2012	Unit 2
116	Set Unit 2 Pressurizer Vessel	5/16/2014	Unit 2

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
117	Reactor Coolant Pump Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 3	2/28/2015	Unit 3
118	Deliver Reactor Vessel Internals to Port of Export - Unit 3	6/30/2015	Unit 3
119	Main Transformers Fabricator Issue PO for Material - Unit 3	2/28/2015	Unit 3
120	Complete welding of Unit 2 Passive Residual Heat Removal System piping	2/5/2015	Unit 2
121	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 3	4/30/2015	Unit 3
122	Refueling Machine - Shipment of Equipment to Site - Unit 3	2/28/2015	Unit 3
123	Set Unit 2 Polar Crane	1/9/2015	Unit 2
124	Reactor Coolant Pumps - Shipment of Equipment to Site - Unit 3	6/30/2015	Unit 3
125	Main Transformers Ready to Ship - Unit 3	7/31/2015	Unit 3
126	Spent Fuel Storage Rack - Shipment of Last Rack Module - Unit 3	7/31/2014	Unit 3
127	Start electrical cable pulling in Unit 2 Auxillary Building	8/14/2013	Unit 2
128	Complete Unit 2 Reactor Coolant System cold hydro	1/22/2016	Unit 2

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
129	Activate class 1E DC power in Unit 2 Auxiliary Building.	3/15/2015	Unit 2
130	Complete Unit 2 hot functional test.	5/3/2016	Unit 2
131	Install Unit 3 ring 3 for containment vessel	8/25/2015	Unit 3
132	Load Unit 2 nuclear fuel	9/15/2016	Unit 2
133	Unit 2 Substantial Completion	3/15/2017	Unit 2
134	Set Unit 3 Reactor Vessel	10/22/2015	Unit 3
135	Set Unit 3 Steam Generator #2	2/25/2016	Unit 3
136	Set Unit 3 Pressurizer Vessel	7/16/2015	Unit 3
137	Complete welding of Unit 3 Passive Residual Heat Removal System piping	6/16/2016	Unit 3
138	Set Unit 3 polar crane	5/9/2016	Unit 3
139	Start Unit 3 Shield Building roof slab rebar placement	5/26/2016	Unit 3
140	Start Unit 3 Auxiliary Building electrical cable pulling	11/7/2014	Unit 3

**BLRA Revised Milestones
VC Summer Units 2 and 3**

Tracking ID	Milestone Description	Revised Completion Date	Unit
141	Activate Unit 3 Auxiliary Building class 1E DC power	5/15/2016	Unit 3
142	Complete Unit 3 Reactor Coolant System cold hydro	3/22/2017	Unit 3
143	Complete Unit 3 hot functional test	7/3/2017	Unit 3
144	Complete Unit 3 nuclear fuel load	11/15/2017	Unit 3
145	Begin Unit 3 full power operation	4/8/2018	Unit 3
146	Unit 3 Substantial Completion	5/15/2018	Unit 3

Exhibit 2

RESTATED and UPDATED CONSTRUCTION EXPENDITURES

(Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Actual through March 2012* plus
Projected

Plant Cost Categories	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Fixed with No Adjustment												
Firm with Fixed Adjustment A												
Firm with Fixed Adjustment B												
Firm with Indexed Adjustment												
Actual Craft Wages												
Non-Labor Costs												
Time & Materials												
Owners Costs												
Transmission Costs												
	-	26	724	927	11,964	57,206	56,903	57,508	77,990	64,727	1,537	-
Total Base Project Costs(2007 \$)	21,723	97,386	319,073	374,810	314,977	614,173	782,238	793,879	648,780	386,537	142,999	56,781
Total Project Escalation	-	3,519	20,930	23,741	34,084	99,789	169,965	215,848	184,800	134,815	58,409	24,729
Total Revised Project Cash Flow	21,723	100,905	340,003	398,551	349,061	713,961	952,204	1,009,727	833,579	521,351	201,408	81,510
Cumulative Project Cash Flow(Revised)	21,723	122,629	462,632	861,183	1,210,244	1,924,205	2,876,409	3,886,136	4,719,715	5,241,066	5,442,474	5,523,984
AFUDC(Capitalized Interest)	645	3,497	10,564	17,150	14,218	20,462	38,446	42,934	40,958	27,518	15,391	6,144
Gross Construction	22,368	104,403	350,567	415,701	363,278	734,424	990,649	1,052,661	874,537	548,870	216,798	87,654
Construction Work in Progress	22,368	126,771	477,338	893,039	1,256,317	1,990,741	2,981,390	4,034,051	4,908,588	5,457,458	5,674,257	5,761,910

*Applicable index escalation rates for 2012 are estimated. Escalation is subject to restatement when actual indices for 2012 are final.

Notes:
Current Period AFUDC rate applied 5.28%

Escalation rates vary from reporting period to reporting period according to the terms of Commission Order 2009-104(A). These projections reflect current escalation rates. Future changes in escalation rates could substantially change these projections. The AFUDC rate applied is the current SCE&G rate. AFUDC rates can vary with changes in market interest rates, SCE&G's embedded cost of capital, capitalization ratios, construction work in process, and SCE&G's short-term debt outstanding.

Exhibit 3

Change from SCPSC Order 2011-345

(Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Actual through March 2012* plus Projected												
Plant Cost Categories	Actual					Projected						
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	1	-	-	-	(23,391)	13,287	2,703	5,174	2,089	97	42	-
Fixed with No Adjustment	-	-	-	-	-	(1,650)	1,650	-	-	-	-	-
Firm with Fixed Adjustment A	-	-	-	-	(280)	7,638	1,485	734	3,052	10,018	3,188	(1,381)
Firm with Fixed Adjustment B	-	-	-	-	(81,822)	(42,744)	67,903	66,198	51,118	(14,463)	27,664	(2,297)
Firm with Indexed Adjustment	-	-	-	-	(261)	(7,579)	(19,511)	32,140	53,689	19,100	(6,626)	439
Actual Craft Wages	-	-	-	(1,727)	11,101	(115,762)	(27,125)	110,850	41,280	(14,757)	(15,516)	(743)
Non-Labor Costs	-	-	-	(21)	(681)	(2,692)	10,296	22,145	5,850	(3,085)	(2,831)	(28,981)
Time & Materials	-	-	-	(449)	(23,667)	18,151	30,974	45,815	10,180	44,703	16,035	(10,118)
Owners Costs	-	-	-	43	4,712	49,431	44,808	27,686	42,754	21,692	(72,141)	(111,064)
Transmission Costs	-	-	-	-	-	-	-	-	-	-	-	-
Total Base Project Costs(2007 \$)	282,951	-	-	(2,415)	(125,626)	(81,921)	113,183	310,742	210,012	63,305	(50,185)	(154,145)
Total Project Escalation	(290,226)	-	-	2,414	(23,307)	(61,111)	(32,727)	34,225	(4,037)	(36,455)	(53,083)	(116,144)
Total Revised Project Cash Flow	(7,275)	-	-	(1)	(148,933)	(143,032)	80,455	344,967	205,975	26,850	(103,268)	(270,289)
Cumulative Project Cash Flow(Revised)	-	-	-	(1)	(148,934)	(291,965)	(211,510)	133,457	339,432	366,282	263,015	(7,275)
AFUDC(Capitalized Interest)	(17,758)	-	-	-	(9,970)	(11,635)	(4,113)	5,349	10,227	5,976	(2,171)	(11,421)
Gross Construction	(25,032)	-	-	(1)	(158,903)	(154,667)	76,343	350,316	216,202	32,826	(105,439)	(281,710)
Construction Work in Progress	-	-	-	(1)	(158,904)	(313,571)	(237,228)	113,088	329,290	362,116	256,678	(25,032)

*Applicable index escalation rates for 2012 are estimated. Escalation is subject to restatement when actual indices for 2012 are final. These projections reflect current escalation rates. Future changes in escalation rates could substantially change these projections.

Exhibit 4

RECONCILIATION TO ORDER No. 2011-345 AND BLRA INDICES COMPARISON

RECONCILIATION TO ORDER No. 2011-345(Thousands of \$)

Revised Forecast Current Filing	\$	5,761,910
Forecast Order No. 2011-345	\$	5,786,943
Change	\$	(25,032)
Reconciliation:		
Change in Base Project Costs(2007 \$)	\$	282,951
Change in Project Escalation	\$	(290,226)
Change in AFUDC	\$	(17,758)
Net	\$	(25,032)

BLRA ESCALATION INDICES COMPARISON

BLRA Indices	Order No. 2011-345 Escalation Rates	Jan 2012 Update Escalation Rates
HW All Steam Index:		
One Year Rate	4.79%	4.51%
Five Year Average	5.31%	3.91%
Ten Year Average	4.53%	4.71%
HW All Steam/Nuclear Index:		
One Year Rate	4.60%	4.52%
Five Year Average	5.32%	3.87%
Ten Year Average	4.54%	4.72%
HW All Transmission Plant Index:		
One Year Rate	5.08%	2.48%
Five Year Average	5.23%	3.00%
Ten Year Average	4.69%	4.55%
GDP Chained Price Index:		
One Year Rate	0.43%	2.11%
Five Year Average	1.97%	1.69%

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
DOCKET NO. 2012-203-E

IN THE MATTER OF:)

)
Petition of South Carolina Electric & Gas)
Company for Updates and Revisions to)
Schedules Related to the Construction of a)
Nuclear Base Load Generation Facility at)
Jenkinsville, South Carolina)

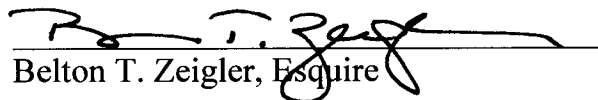
CERTIFICATE OF SERVICE

The undersigned employee of Pope Zeigler, LLC does hereby certify that he has served the below listed parties with a copy of the pleading indicated below by hand delivery and email:

PARTIES SERVED:	C. Dukes Scott, Exec. Dir. John W. Flitter Jeffrey M. Nelson, Esquire Shannon B. Hudson, Esquire Courtney D. Edwards, Esquire Office of Regulatory Staff 1401 Main Street, Suite 900 Columbia, SC 29201	cdscott@regstaff.sc.gov jflitter@regstaff.sc.gov jnelson@regstaff.sc.gov shudson@regstaff.sc.gov cedwards@regstaff.sc.gov
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PLEADING:	PETITION FOR UPDATES AND REVISIONS TO THE CAPITAL COST SCHEDULE AND THE CONSTRUCTION SCHEDULE, DATED MAY 15, 2012
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May 15, 2012


Belton T. Zeigler, Esquire